

**MINUTES OF THE
BOARD OF COMMUNITY HEALTH MEETING
June 12, 2008**

Members Present

Richard Holmes, Chairman
Ross Mason, Vice Chairman
Dr. Inman C. "Buddy" English
Dr. Ann McKee Parker
Raymond Riddle
Richard Robinson
Archer Rose

Members Absent

Kim Gay

The Board of Community Health held its regularly scheduled monthly meeting at the Department of Community Health, Fifth Floor Board Room, 2 Peachtree Street, N.W., Atlanta, Georgia. Dr. Carladenise Edwards, Chief of Staff was present also. (An agenda and a list of Attendees are attached hereto and made official parts of these Minutes as Attachments #1 and #2). Chairman Holmes called the meeting to order at 10:42 a.m.

Approval of Minutes

The Minutes of the May 8, 2008 Meeting were UNANIMOUSLY APPROVED AND ADOPTED. The Minutes of the May 22, 2008 Meeting were UNANIMOUSLY APPROVED AND ADOPTED with an amendment to Page 3, Paragraph 6, Sentence 2. It should read, "...*Chairman Holmes said at a coming board meeting the board will vote on the Secretary.*"

Committee Reports

Mr. Richard Robinson, Chair of the Audit Committee, asked the Board to approve the Audit Committee Charter. He said various members of the Audit Committee have been working on the charter for close to two years and this is the final product. Dr. Parker MADE a MOTION to approve the Audit Committee Charter. Mr. Mason SECONDED the MOTION. Chairman Holmes called for votes; votes were taken. The MOTION was UNANIMOUSLY APPROVED. (A copy of the Audit Committee Charter is hereto attached and made an official part of these Minutes as Attachment # 3).

Department Updates

Dr. Carladenise Edwards, Chief of Staff of DCH, reported that Dr. Medows is in Washington DC where yesterday she was honored by the Health Information Management Systems Society and received the Advocacy of the Year Award, followed by a kickoff press conference at the National Press Club where she is being recognized for her leadership in health information technology, particularly the work she has done to help the underserved. Dr. Edwards said the Secretary of Health and Human Services along with some of the trade organizations has recently created an organization called the National Health IT Collaborative for the Underserved, where Dr. Medows is giving a talk this afternoon. Dr. Edwards said another huge milestone that the State of Georgia is achieving today which is Secretary Leavitt and Governor Perdue acknowledging receipt of a Demonstration Award from the Centers for Medicare and Medicaid Services (CMS). Georgia will serve as one of the twelve pilot sites that will implement an initiative to advance the adoption of electronic medical records through enhanced payment to Medicare providers. She thanked members of the audience who assisted the Department with that effort. Chairman Holmes, on behalf of the Board, acknowledged Dr. Medows' achievements and congratulated her on the national awards she received.

Mr. Holmes asked Suzannahlouise Lipscomb, Counsel for the State Health Benefit Plan (SHBP), to present the SHBP rule changes for initial adoption. Ms. Lipscomb said these changes are associated with federal requirements and state law changes. She gave a synopsis of each change. Rule 111-4-1-.04(6)(f) amends the current regulation regarding military leave to reflect recent changes to federal law. Rule 111-4-1-.04(10) amends the eligibility documentation process. Rule 111-4-1-.04(11) modifies coverage eligibility for totally disabled children after age nineteen. Rule 111-4-1-.04(11)(a) modifies when enrolled members may apply for coverage for totally disabled children after age nineteen. Rule 111-4-1-.04(12)(a) and (b) updates SHBP regulation to be in compliance with federal Medicare policy. Rule 111-4-1-.04(13) clarifies the process regarding verifying dependent eligibility. Rule 111-4-1-.02(2)(e) modifies when enrolled member deduction/reduction amounts are due to be presented to the Board. Rule 111-4-1-.02(3) clarifies that the Employing Entity is responsible for statements

made by its staff or any third party representing the Employing Entity. Rule 111-4-1-.02(3)(h) eliminates paragraph (3)(h). Rule 111-4-1-.10(1)(a)(12) eliminates paragraph (1)(a)(12). Rule 111-4-1-.10(4)(e) eliminates paragraph (4)(e). Finally Rule 111-4-1-.10(10) reflects changes to state law regarding the Consumer Choice Option. Dr. Parker MADE a MOTION to approved for initial adoption SHBP Rules 111-4-1-.04, 111-4-1-.02 and 111-4-1-.10. Mr. Mason SECONDED the MOTION. Chairman Holmes called for votes; votes were taken. The MOTION was UNANIMOUSLY APPROVED. (Copies of SHBP Rules 111-4-1-.04, 111-4-1-.02 and 111-4-1-.10 are hereto attached and made official parts of these Minutes as Attachments # 4, 5 and 6 respectively).

Chairman Holmes called on Carie Summers, Chief Financial Officer. Ms. Summers presented A Resolution Amendment to Employer Rates for State Health Benefit Plan for FY 2008. In the Amended FY 08 Appropriations Act (House Bill 989) the General Assembly placed prefunding of \$30.3 million in the Department of Education (DOE) budget and indicated that the funds were to prepay SHBP expenditures for non-certificated employees and retired teachers for FY 09. This Resolution would allow the Department to bill DOE for \$30.3 million so those dollars can be realized by the SHBP in FY 2008, thus carried forward but not expended until FY 09 for those particular groups. Mr. Rose MADE a MOTION to adopt A Resolution Amendment to Employer Rates for State Health Benefit Plan for FY 2008. Dr. Parker SECONDED the MOTION. Chairman Holmes called for votes; votes were taken. The MOTION was UNANIMOUSLY APPROVED. (A copy of A Resolution Amendment to Employer Rates for State Health Benefit Plan for FY 2008 is hereto attached and made an official part of these Minutes as Attachment # 7).

Ms. Summers moved on to the eight public notices that will be presented for final approval: Dental Services, Coverage of Digital Mammography, Home Health, Health Check Services, Hospital Services, Independent Care Waiver Program, Physician and Physician-Related Provider, and Emergency Ambulance Services Public Notices. The public notices were posted for initial comment at the May board meeting. They are all budget related and were approved in House Bill 990, the FY 09 Appropriations Act. She summarized each public notice. In all cases where these services are provided to members that are enrolled in the CMO programs, the CMOs are required to increase their current per unit reimbursement rates for either their contracted providers or the affected services to effect a rate change comparable to the proposed change in fee-for-service rates. Ms. Summers said the general consensus of the public comments made at the May 20 hearing and the written comments received was that people were appreciative of the increased amounts of dollars being provided but that they were probably not enough.

Chairman Holmes asked Ms. Summers about the comments made concerning emergency ambulance services. Ms. Summers said there have been discussions around the revenue the Department receives from ambulance providers from their licensing fees and how those fees have been used. Those fees come to the Department through the Indigent Care Trust Fund, and there has been a historical debate on whether ambulance providers are getting a return on paying those licensure fees and how the revenue is coming back to them through Medicaid rates. She said there is new legislation that was passed that requires the Department to be more transparent in how those funds are used in order to address some of those concerns. A discussion ensued about rising fuel costs, how those costs could affect emergency ambulance services and non-emergency transportation, and a possible request for supplemental funding in the FY 09 Amended Budget.

Dr. Parker MADE a MOTION to approve the Dental Services, Coverage of Digital Mammography, Home Health, Health Check Services, Hospital Services, Independent Care Waiver Program, Physician and Physician-Related Providers, and Emergency Ambulance Services Public Notices. Chairman Holmes called for votes; votes were taken. The MOTION was UNANIMOUSLY APPROVED. (Copies of the Public Notices are attached hereto and made official parts of these minutes as Attachments # 8, 9, 10, 11, 12, 13, 14, and 15 respectively).

Ms. Summers said the next three public notices, Psychiatric Residential Treatment Facilities, Community Care Services Program, and Nursing Homes Services, are outcomes of the Appropriations Act. A public hearing will be held on June 23 to allow public comment on these changes. The purpose of the Psychiatric Residential Treatment Facilities (PRTF) Public Notice is to update the reimbursement rates to utilize FY 2006 provider-specific cost reports to determine provider-specific per diem rates for the reimbursement of psychiatric residential treatment services. The FY 2006 cost report data will be adjusted to consider inflation based on the CMS Hospital Market Basket. Per diems will be subject to a cap of \$370 per day. Rates for PRTFs who do not have a 2006 cost report reflective of the provision of PRTF services will be based on the median rate of other PRTF providers. CMOs are required to increase their current

per unit reimbursement rates for their contracted PRTF services to effect a rate change comparable to the proposed change for fee-for-service rates. The impact of this expenditure is about \$3.5 million total funds (mostly from Low Income Medicaid) and \$1.2 million state funds (from the DHR budget).

Dr. Parker had a question about the use of *Psychological* Residential Treatment Facility in the Appropriations Act and *Psychiatric* Residential Treatment Facility in the public notice. Ms. Summers said she would get clarification from the House and Senate Budget Office that the legislative intent was for *Psychiatric* Residential Treatment Facilities before the board made its final vote at the July meeting.

Dr. Parker MADE a MOTION to approve the Psychiatric Residential Treatment Facilities Public Notice to be published for public comment. Mr. Rose SECONDED the MOTION. Chairman Holmes called for votes; votes were taken. The MOTION was UNANIMOUSLY APPROVED. (A copy of the Psychiatric Residential Treatment Facilities Public Notice is hereto attached and made an official part of these Minutes as Attachment # 16).

Next Ms. Summers presented the Community Care Services Program (CCSP) Public Notice. Effective for services provided on and after July 1, 2008, and subject to payment at fee for service rates, the Department is proposing to increase by 3% the reimbursement rate for services provided through the Community Care Services Program. This change is estimated to increase annual expenditures in the Aged, Blind, and Disabled Medicaid program by approximately \$7.7 in total funds (\$1.3 million in DHR state funds and \$1.4 million in DCH state funds). Mr. Mason MADE a MOTION to approve the Community Care Services Program Public Notice to be published for public comment. Mr. Rose SECONDED the MOTION. Chairman Holmes called for votes; votes were taken. The MOTION was UNANIMOUSLY APPROVED. (A copy of the Community Care Services Program Public Notice is hereto attached and made an official part of these Minutes as Attachment # 17).

Ms. Summers said the Nursing Home Services Public Notice cost impact is \$56 million. The Department is working to convert to a Fair Rental Value (FRV) methodology to reimburse nursing homes for the capital component of their cost. The Department has been using a Dodge Index that is relatively outdated. The FRV system will recognize and reimburse nursing facilities based on their value and replace the Dodge Index system. Ms. Summers said this public notice was discussed at length in today's Audit Committee meeting. She reviewed some of the FRV Variables/Characteristics. The Department is proposing to use the 2007 Cost Report with no inflation to recognize newer information that is necessary to support the case mix methodology. Finally, the Department is adding 1% incentive for the Quality Initiative program. These changes are estimated to increase annual expenditures by approximately \$56 million total funds (\$19.4 in state funds), of which the FRV is \$35 million, \$13 million for the cost report update, and the remainder for the quality incentive program. Dr. Parker MADE a MOTION to approve the Nursing Home Services Public Notice to be published for public comment. Mr. Mason SECONDED the MOTION. Chairman Holmes called for votes; votes were taken. The MOTION was UNANIMOUSLY APPROVED. (A copy of the Nursing Home Services Public Notice is hereto attached and made an official part of these Minutes as Attachment # 18).

Mark Trail, Chief, Medical Assistance Plans, discussed five public notices that are a result of federal changes or programmatic changes that are not budget driven and will impact the reimbursement methodology. The New Options Waiver (NOW) and Comprehensive Support Waiver (COMP) Exceptional Rate Requests Public Notice will allow the Department to pay what has been referred to as exceptional rates in certain circumstances. Effective for dates of services on and after July 1, 2008, the Department is proposing to utilize a formalized process whereby additional and/or more intensive resources can be accessed in order to serve individuals in transition from an institution or who may be at risk of institutionalization. This change impacts the New Options Waiver (NOW) and the Comprehensive Support Waiver (COMP) and will formally raise the waiver caps for Exceptional Rates by \$6,000 above the current individual annual cost limit of \$25,000 for NOW for a period of no more than 12 months. The current individual annual cost limit for COMP will remain at 130% of the average cost of an ICF/MR facility. Total costs under COMP, to include Exceptional Rate requests, will not exceed 130% of the average cost of an ICF/MR facility. Any approval of an exceptional rate is time limited up to a maximum of one year. This change is contingent on approval of a federal waiver amendment by the Centers for Medicare and Medicaid Services. Mr. Rose MADE a MOTION to approve the New Options Waiver and Comprehensive Support Waiver Exceptional Rate Requests Public Notice to be published for public comment. Dr. Parker SECONDED the MOTION. Chairman Holmes called for votes; votes were taken. The MOTION was UNANIMOUSLY APPROVED. (A copy of the New Options Waiver and Comprehensive Support Waiver Exceptional Rate Requests Public Notice is hereto attached and made an official part of these Minutes as Attachment # 19).

Next Mr. Trail presented four public notices related to Targeted Case Management (TCM). The TCM Child Protective Services Case Management Services, TCM Risk of Incarceration Case Management Services, and TCM Adult Protective Services Case Management Services Public Notices eliminate these targeted case management programs. The reason this is occurring is the federal government changed the rules as it relates to targeted case management, essentially eliminating the Department's authority to conduct these programs. Mr. Robinson MADE a MOTION to approve the Targeted Case Management Child Protective Services Case Management Services, Targeted Case Management Risk of Incarceration Case Management Services, and Targeted Case Management Adult Protective Services Case Management Services Public Notices to be published for public comment. Dr. Parker SECONDED the MOTION. Chairman Holmes called for votes; votes were taken. The MOTION was UNANIMOUSLY APPROVED. (Copies of the Targeted Case Management Child Protective Services Case Management Services, Targeted Case Management Risk of Incarceration Case Management Services, and Targeted Case Management Adult Protective Services Case Management Services Public Notices are hereto attached and made official parts of these Minutes as Attachments # 20, 21, and 22 respectively).

Finally Mr. Trail presented the Targeted Case Management for Children at Risk; Adults with AIDS; Perinatal; and Early Intervention Services Public Notice. He said although these are separate programs, the methodology for reimbursement will be the same for all. The public notice proposes to make the rate changes effective July 1, 2008. TCM providers will be paid on a unit-of-service basis where a unit is equivalent to 15 minutes; the rate structure will recognize the clinical expertise required to perform a particular service; and the payment for TCM services would not duplicate any other. Mr. Mason MADE a MOTION to approve to be published for public comment the Targeted Case Management for Children at Risk; Adults with AIDS; Perinatal; and Early Intervention Services Public Notice. Dr. Parker SECONDED the MOTION. Chairman Holmes called for votes; votes were taken. The MOTION was UNANIMOUSLY APPROVED. (A copy of the Targeted Case Management for Children at Risk; Adults with AIDS; Perinatal; and Early Intervention Services Public Notice is hereto attached and made an official part of these Minutes as Attachment # 23).

Chairman Holmes said a public hearing will be held on June 23 for the eight public notices approved today for public comment. He has asked Ms. Gay to represent the Board at the public hearing.

Adjournment

There being no further business to be brought before the Board, Chairman Holmes adjourned the meeting at 11:41 a.m.

THESE MINUTES ARE HEREBY APPROVED AND ADOPTED THIS THE _____ DAY OF _____, 2008.

RICHARD L. HOLMES
Chairman

Secretary

Official Attachments:

- #1 List of Attendees
- #2 Agenda
- #3 Audit Committee Charter
- #4 SHBP Rule 111-4-1-.04
- #5 SHBP Rule 111-4-1-.02
- #6 SHBP Rule 111-4-1-.10
- #7 Resolution – Amendment to Employer Rates for SHBP for FY 2008
- #8 Dental Services Public Notice
- #9 Coverage of Digital Mammography Public Notice
- #10 Home Health Public Notice

Official Attachments (continued):

- #11 Health Check Services Public Notice
- #12 Hospital Services Public Notice
- #13 ICWP Public Notice
- #14 Physician and Physician-Related Providers Public Notice
- #15 Emergency Ambulance Services Public Notice
- #16 Psychiatric Residential Treatment Facilities Public Notice
- #17 Community Care Services Program Public Notice
- #18 Nursing Home Services Public Notice
- #19 Emergency Ambulance Services Public Notice
- #20 TCM Child Protective Services Case Management Services Public Notice
- #21 TCM Risk of Incarceration Case Management Services Public Notice
- #22 TCM Adult Protective Services Case Management Services Public Notice
- #23 TCM Children at Risk; Adults with AIDS; Perinatal; and Early Intervention Services Public Notice